

# Gas Severance Tax Return

Issued under authority of P.A. 48 of 1929, as amended. Filing is mandatory.

## PART 1: IDENTIFICATION AND TAX COMPUTATION

C. <input type="checkbox"/> ESTIMATE <input type="checkbox"/> ACTUAL <input type="checkbox"/> ADJUSTED		
A. Name	B. Tax Identification Number (Required)	D. Reporting Operations For: M M Y Y Y Y
E. Address	City, State, ZIP Code	

Enter all negative values in brackets.

### PART 2: GAS

	COLUMN 1 MCF	COLUMN 2 VALUE	COLUMN 3 TAXES AND FEES
1. Gross Mcf and value of gas produced .....	1.		
2. Exempt Mcf and value of gas produced .....	2.		
3. Taxable Mcf and value of gas produced (Subtract line 2 from line 1) ....	3.		
4. Severance tax due on gas produced: 5% (.05) of line 3, column 2 .....	4.		

### NATURAL GAS LIQUIDS (N.G.Ls)

	COL. 1 - BARRELS		
5. Gross barrels and value of N.G.Ls produced .....	5.		
6. Exempt barrels and value of N.G.Ls produced .....	6.		
7. Taxable barrels and value of N.G.Ls produced(subtract line 6 from line 5) ....	7.		
8. Severance tax due on N.G.Ls produced: 5% (.05) of line 7, column 2 .....	8.		

### CONDENSATE

	COL. 1 - BARRELS		
9. Gross barrels and value of condensate produced .....	9.		
10. Exempt barrels and value of condensate produced .....	10.		
11. Taxable barrels and value of condensate produced .....	11.		
12. Severance tax due on condensate produced: 5% (.05) of line 11, column 2 .....	12.		

### PART 3:

13. Total Severance Tax Due. Add column 3, lines 4, 8 and 12. ....	13.	
14. Total Value Reported. Add column 2, lines 3, 7 and 11. ....	14.	
15. Total Oil and Gas fee due: 29/100% (.0029) of line 14. ....	15.	
16. Total Tax Due for this return. Add lines 13 and 15. ....	16.	
17. Previous Estimated Payment. ....	17.	
18. Subtract line 17 from line 16. ....	18.	
19. Penalty (see instructions) .....	19.	
20. Interest (see instructions) .....	20.	
21. Total Payment Due. Add lines 18, 19 and 20. (Make check payable to State of Michigan - Severance Tax). ....	21.	

### TAXPAYER'S AND PREPARER'S CERTIFICATION

<i>I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.</i> I authorize Treasury to discuss my return with my preparer. <input type="checkbox"/> Yes <input type="checkbox"/> No		<i>I declare under penalty of perjury that this return is based on all information of which I have any knowledge.</i>	
Signature of Taxpayer	Date	Signature of Preparer Other Than Taxpayer	Date
Title	Telephone Number	Business Name, Address and Identification Number	Telephone Number

MAIL REPORT TO:  
Michigan Department of Treasury  
P.O. Box 30474  
Lansing, MI 48909-7974

If you have questions, call (517) 636-4600.

## Definitions

**STRIPPER WELL CRUDE OIL** - Oil produced and sold from a property whose maximum daily average production of crude oil per well during any consecutive 12-month period does not exceed 10 barrels.

**MARGINAL PROPERTY CRUDE OIL** - A "property" whose daily average production (excluding condensate recovered in non-associated production) per well during any preceding consecutive 12-month period that did not exceed the number of barrels shown in the following table for the average completion depth.

Average Completion Depth in Feet	Barrels Per Day
2,000 or more, but less than 4,000.....	20 or less
4,000 or more, but less than 6,000.....	25 or less
6,000 or more, but less than 8,000.....	30 or less
8,000 or more .....	35 or less

To receive approval for "Marginal/Stripper" status, provide the Michigan Department of Treasury with production figures and copies of original returns for 12 consecutive months. We will respond in writing.

### Oil and Gas Fee Rates by Calendar Year

<u>Calendar Year</u>	<u>Fee</u>
2006 .....	.0045
2007 .....	.0065
2008 .....	.0075
2009 .....	.0025

**ESTIMATED RETURN** - A return that includes an estimated payment.

**ACTUAL RETURN** - A return that reports actual production figures for the filing period.

**ADJUSTED RETURN** - A return that reports additional figures not reported on an ACTUAL return.

You may NOT file an ADJUSTED return unless you have filed an ACTUAL return for the return period. Report only the net changes to the return period.

**CONDENSATE** - Condensate, as generally defined by fifteen states of the United States of America, is the liquid hydrocarbons recovered at the surface that result from condensation due to reduced pressure or temperature of petroleum hydrocarbons existing initially in a gaseous phase in the reservoir.

For severance tax purposes, the taxation of production of condensate will depend on the classification of the well as determined by the Supervisor of Wells. A well classified as an oil well, shall be taxed as oil if the production is liquid phase hydrocarbons, Form 381. The production shall be taxed as gas if the production is associated vapor phase hydrocarbons and report on form 382. A well classified as a gas well by the Supervisor of Wells, shall be taxed at the gas rate, including the non-associated gas condensate production.

**NGL's** - NGL's (Natural Gas Liquid) are made up of such products as: Methane, Ethane, Propane, Isobutane, Butane, and Pentane. The products are recovered or removed from the raw or wet gas by use of an absorption gas plant or a cryogenic gas plant.

## Instructions for Completing Form 382, Gas Severance Tax Return

### WHO MUST FILE

This report must be filed by all common purchasers or producers of oil and gas severed in Michigan. The completed return, together with payment of the tax due, must be filed with the Michigan Department of Treasury on or before the 25th day of each month, covering purchases or production for the preceding month.

This form must appear as the first sheet of every return. A completed Form 383, *Production Report* must be included with each return. Form 384, *Exempt Production and Value Report*, must be completed if you are requesting an exemption for the interest share of federal, state and other government entities.

The Michigan Department of Treasury may need more information, and must have access to all books and records relating to purchases or production, unit price and severance tax. All leases on which reports of purchases or production typically are made must be included in the monthly report during the life of the lease, even if no production or purchases occurred in the month being reported. Leases on which the last producing well is plugged or abandoned must be reported for the month the last activity occurs. The lease then may be omitted from future reports.

Report all Gas Volumes in Mcf's (1,000 cubic feet) at 14.73 psia and 60 F dry.

### PART 1

Box A.) Enter the legal individual filer or business name.

Box B.) Enter the nine digit Tax Identification Number. This is the Federal Employer Identification Number, ME number, or TR number assigned to the legal business entity. **This field is required.**

Box C.) Check only one box for return type. See definitions below.

*ESTIMATED* - A return which includes an estimated payment.

*ACTUAL* - A return that reports actual production figures for the filing period.

*ADJUSTED* - A return that reports figures not included on the *ACTUAL* return. You may **NOT** file an *ADJUSTED* return unless you have filed an *ACTUAL* return for the same filing period. The *ADJUSTED* return should only report the **net change** to the *ACTUAL* return.

Box D.) Enter the filing period reported on this return in MM-YYYY format.

Box E.) Enter the street address, city, state and ZIP code.

### PART 2 (Enter all negative values in brackets)

#### GAS

Line 1- Enter on Line 1, Column 1, the grand total of Mcf's of Gas from Column 6 of Form 383.

Enter on Line 1, Column 2, the grand total of value of Gas from Column 8 of Form 383.

Line 2- Enter on Line 2, Column 1, the grand total exempt Mcf's of Gas from Column 7 of Form 384.

Enter on Line 2, Column 2, the grand total exempt value of Gas from Column 9 of Form 384.

Line 3- Subtract Line 2 from Line 1. Enter the total taxable Mcf's of Gas on Line 3, Column 1.

Enter the total taxable value of Gas on Line 3, Column 2.

Line 4- Multiply the figure on Line 3, Column 2 by 5% (.05)

Enter the total Severance tax due for Gas on Line 4, Column 3.

#### NATURAL GAS LIQUIDS AND CONDENSATE

**\* Report NGL's and CONDENSATE in Barrels.**

Lines 5-12: For the reporting of NGL's and CONDENSATE, complete the designated lines, referring to the instructions for lines 1-4. **The volume must be reported in barrels.**

### **PART 3**

Line 13- Total Severance Tax Due: Add Lines 4, 8, and 12 from Column 3.

Line 14- Total Value Due: Add Lines 3, 7, and 11 from Column 2.

Line 15- Oil and Gas Fee Due: Multiply the figure in Line 14 by the Oil and Gas Fee rate indicated on line 15.

Line 16- Total Tax Due: Add lines 13 and 15 from Column 3.

Line 17- **Enter any Previous Estimated Payment for the file period reported.**

Line 18- Subtract line 17 from line 16.

Line 19 & 20- Penalty and interest may be due for late filing and/or payment of Severance Tax. Charges are issued in accordance with MCL 205.23 and 205.24. Go to [www.michigan.gov/taxes](http://www.michigan.gov/taxes) to use the Penalty and Interest calculator.

Line 21- Total Payment Due: Add lines 18, 19, and 20 from Column 3.

The return must be signed by an authorized officer of the corporation or association. Mail all completed, signed returns along with payment to:

Michigan Department of Treasury  
P.O. Box 30474  
Lansing, MI 48909-7974.

Make checks payable to the **“State of Michigan - Severance Tax”**.

**Additional forms are available on Treasury’s web site at [www.michigan.gov/taxes](http://www.michigan.gov/taxes)**